

North Carolina Department of Health and Human Services

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Beverly Eaves Perdue, Governor

Lanier M. Cansler, Secretary

July 13, 2011

TO: CAP MR/DD Providers
SA & PCS – Adult Care Home Providers
PCS – Community Based Providers
Enhanced Mental Health Providers

FROM: Lanier M. Cansler 

SUBJECT: Extended Suspension of Mandatory Cost Reporting for Rate Adjustments

The Department of Health and Human Services (DHHS) recognizes that the unprecedented Medicaid budget reductions in state fiscal years 2010 and 2011 have impacted both providers and recipients. In order to remove some of the administrative burden and cost to providers, the Division of Medical Assistance (DMA) and the DHHS Controller's Office are once again suspending, for the above named provider groups, the requirement for mandatory cost reporting of Medicaid costs for cost reports due in all periods after December 31, 2009, until further notice.

The DMA is not planning rate adjustments based on cost during these periods of suspension. Should it become necessary to determine reasonable costs during the suspension periods, the DMA will utilize its existing cost report database and cost trending factors.

As previously announced, any outstanding cost reports from previous cost report periods are due and must be filed. Outstanding issues resulting from a previously filed cost report must also be resolved.

This suspension shall remain in effect until rescinded by the Secretary of DHHS. If you have specific questions please contact the following individuals:

CAP MR/DD Providers and Residential Treatment Providers – Ms. Stephanie Robinson at 919-855-3686 or Ms. Mishawn Davis at 919-647-8179.

SA & PCS – Adult Care Home Providers – Ms. Linda Eckles at 919-855-3682 or Ms. Elizabeth Grady at 919-855-4207.

PCS – Community Based Providers – Ms. Roxanne Krotoszynski at 919-855-4216.

Extended Suspension of Mandatory Cost Reporting for Rate Adjustments

Location: 101 Blair Drive • Adams Building • Raleigh, N.C. 27603
An Equal Opportunity / Affirmative Action Employer



Enhanced Mental Health Providers – Ms. Stephanie Robinson at 919-855-3686 or Ms. Christal Kelly at 919-647-8178. The suspension also includes those CAP MR/DD and Mental Health Residential Treatment providers who also provide enhanced mental health services.

For all cost reports due prior to December 31, 2009, the DMA's policies and rules for timely submission will continue to be in effect.

Providers should continue to record their accounting transactions in accordance with the approved chart of accounts and cost allocation principles to ensure that when the suspension is rescinded, providers will be able to complete and file cost reports within the prescribed timeframe.

We recognize the financial hardships of our provider network and hope that this reduction of administrative cost will assist providers as we work our way through these difficult economic times.

cc: Dr. Craigan Gray
Dan Stewart
Laketha M. Miller
Steve Owen